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1395

# Circuit Court of Appeals

For the Ninth Circuit.

In the Matter of GEORGE E. TILTON, Bankrupt.

GEORGE E. TILTON,

Appellant,

vs.

ANNA J. HELMS, ELIZABETH KEELAN, MAGDA OLSON, REBECCA S. KNIGHT, R. BLIX, FRANCES BLIX, CHRISTINA WADMAN, J. J. MIDDAL, J. STARUP, ANNA C. ADAMS, JESSIE HUMPHREY, ALICE SAXON, and RUTH SAXON,

Appellees.

## Transcript of Record.

Upon Appeal from the United States District Court for the Western District of Washington, Northern Division.

FILED

JUL 15 - 1924

F. D. MONGKTON



United States  
Circuit Court of Appeals  
For the Ninth Circuit.

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In the Matter of GEORGE E. TILTON, Bankrupt.  
GEORGE E. TILTON,  
Appellant,  
vs.

ANNA J. HELMS, ELIZABETH KEELAN, MAGDA  
OLSON, REBECCA S. KNIGHT, R. BLIX,  
FRANCES BLIX, CHRISTINA WADMAN, J. J.  
MIDDAL, J. STARUP, ANNA C. ADAMS, JESSIE  
HUMPHREY, ALICE SAXON, and RUTH SAXON,  
Appellees.


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Transcript of Record.

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Upon Appeal from the United States District  
Court for the Western District of Wash-  
ington, Northern Division.

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# INDEX TO THE PRINTED TRANSCRIPT OF RECORD.

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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

|   | Page |
|---|------|
| Additional and Supplemental Assignment of Error .....                   | 26   |
| Agreed Statement Under Equity Rule 77.....                              | 3    |
| Assignment of Errors .....  | 22   |
| Certificate of Clerk U. S. District Court to Transcript of Record ..... | 29   |
| Decision .....  | 18   |
| Names and Addresses of Counsel.....                                     | 1    |
| Oral Decision .....   | 15   |
| Order Denying Discharge to Bankrupt.....                                | 1    |
| Order Governing Transcript .....  | 28   |
| Praecipe for Transcript of Record.....                                  | 29   |
| Stipulation Under Equity Rule 77.....                                   | 24   |
| Stipulation Waiving Citation .....                                      | 25   |
| <b>TESTIMONY:</b>   |      |
| HELMES, ANNA J. ....  | 7    |
| Cross-examination .....   | 9    |
| KEELAN, ELIZABETH .....   | 10   |
| Cross-examination .....   | 11   |
| TILTON, GEORGE E. ....  | 11   |
| Cross-examination .....   | 13   |



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In the District Court of the United States for the  
Western District of Washington, Northern Di-  
vision.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ORDER DENYING DISCHARGE TO BANK-  
RUPT.

WHEREAS, George E. Tilton, of Seattle, King  
County, Washington, in said district, having been  
duly adjudged bankrupt under the acts of Congress  
relating to bankruptcy, did in conformity to law, file  
his petition for discharge from all debts provable

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\*Page-number appearing at foot of page of original Certified Trans-  
script of Record.

against his estate under said Bankruptcy Acts, excepting such debts as are excepted by law from such discharge; and

WHEREAS certain creditors of said bankrupt did file specification of grounds of opposition to said bankrupt's discharge, whereupon issue was joined and said matter came on to be heard before the Hon. Jeremiah Neterer, Judge of said Court aforesaid, and the Court having heard the evidence in said cause, and finding that the objections to the discharge on the part of two of the said creditors only, Anna J. Helms and Elizabeth Keelan, were well taken, said objections were by the Court sustained; and

The said Court having rendered herein a memorandum decision in said case on the 29th day of April, 1924;

NOW, THEREFORE, in conformity therewith,

IT IS THEREFORE ORDERED BY THIS COURT, That the said George E. Tilton be not discharged in bankruptcy from all or any debts and claims which are made provable by said acts against his estate and which existed on the 25th day of May, 1921, but, on the contrary, that the said discharge of the said [2] George E. Tilton from all or any of said debts be and the same is hereby denied.

To which said ruling of the Court and order herein the said bankrupt does except, and his exception be and the same hereby is allowed.



WITNESS the Hon. JEREMIAH NETERER,  
Judge of the said District Court and the seal there-  
of this 8th day of May, 1924.

F. M. HARSHBERGER,  
Clerk of said District Court.

Enter:

JEREMIAH NETERER,  
Judge.

O. K.—SOLON T. WILLIAMS,  
ALBERT J. ALLEN,  
Solicitors for Objecting Creditors.

[Endorsed]: Filed in the United States District  
Court, Western District of Washington, Northern  
Division, May 8, 1924. F. M. Harshberger, Clerk.  
By P. A. Page, Deputy. [3]

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In the District Court of the United States for the  
Western District of Washington, Northern Di-  
vision.

1206541.

TRANSCRIPT OF RECORD.

In the Matter of GEORGE E. TILTON, Bankrupt.

AGREED STATEMENT UNDER EQUITY  
RULE 77.

On April 26th, 1921, George E. Tilton made an  
assignment for the benefit of creditors, turned over  
property of an estimated value at that date of ap-

proximately One Hundred Forty Thousand (\$140,000.00) Dollars.

Thereafter on involuntary proceedings in bankruptcy he was on the 6th day of June, 1921, duly adjudicated bankrupt.

Mary E. Lemmon, one of the trustees under the assignment aforesaid, was immediately appointed trustee in bankruptcy and did administer said estate until closed on the 26th day of July, 1923.

The estate of the bankrupt was appraised at \$59,152.03.

Claims were filed in the estate by seventy-one (71) creditors and allowed, aggregating Eighty-eight Thousand Two Hundred One (\$88,201.00) Dollars.

On the 15th day of May, 1922, said bankrupt filed his petition for discharge. Thereupon 22 creditors, with claims aggregating \$36,125.65, filed specifications opposing bankrupt's discharge. Prior to hearing, nine of said creditors, with claims aggregating \$20,875.00, withdrew their objections and joined in the petition with 31 other creditors, whose claims aggregated \$31,459.19, petitioning for the discharge of the bankrupt. Eighteen creditors made no objection either for or against the discharge. Their claims totalled \$20,616.16. The trustee aforesaid joined in said petition for discharge. [4]

At the date of the hearing before the Hon. Jeremiah Neterer, District Judge, beginning February 11, 1924, the objecting creditors were 13 in number, with claims aggregating \$15,250.65.

At said hearing the objecting creditors relied upon but one specification, to wit: "That said bankrupt obtained money and property on credit upon materially false statements in writing made by him to the persons (in the specifications mentioned) for the purpose of obtaining credit from such persons."

The persons mentioned in the specifications, other than those who joined in the petition for discharge, or were silent relative thereto, were: J. J. Middal, Ruth Saxon, Alice Saxon, Magda Olson, Frances Blix, Anna J. Helms, Elizabeth Keelan and R. Blix, Rebecca S. Knight, Christina Wadman, J. Starup, Anna C. Adams and Jessie Humphrey.

Testimony was offered and introduced relative to three series of transactions alone, involving R. Blix, Anna J. Helms, Elizabeth Keelan and none other.

The Blix writing was as follows:

"23 September 1919.

Received of R. Blix,

Seventeen Hundred par value Liberty Bonds to be returned 1 year from date, plus interest on par value at rate of 7% per annum, payable semi annually. Coupons maturing during the year to belong to undersigned. For serial number see reversed side.

(Sgd.) G. E. TILTON.

#### ENDORSEMENTS:

|                             |   |                 |            |
|-----------------------------|---|-----------------|------------|
| J-10295524, Victory, \$100. | 4 | $\frac{3}{4}\%$ | 8 coupons, |
| J-10295525, Victory, \$100. | 4 | $\frac{3}{4}\%$ | 8 coupons, |
| J-10295526, Victory, \$100. | 4 | $\frac{3}{4}\%$ | 8 coupons, |
| C-7309083, Victory, \$100.  | 4 | $\frac{3}{4}\%$ | 8 coupons, |

C-7309084, Victory, \$100. 4  $\frac{3}{4}\%$  8 coupons,  
 C-7309085, Victory, \$100. 4  $\frac{3}{4}\%$  8 coupons,  
 C-7309086, Victory, \$100. 4  $\frac{3}{4}\%$  8 coupons,  
 76612 2nd Issue Converted,  $4\frac{1}{4}\%$  \$500.00 2 coupons.  
 76613 2nd Issue Converted,  $4\frac{1}{4}\%$  \$500.00 2 coupons.

November 10, 1920, Seven One Hundred Dollar  
 Victory Bonds returned to Mr. Blix.

G. E. TILTON." [5]

The Court held that the Blix receipt aforesaid was clearly a loan of Liberty Bonds, just the same as a person would loan money and was not such a materially false statement in writing as would prevent a discharge.

Hence there is involved on this appeal the receipts held only by Anna J. Helms and Elizabeth Keelan.

The bankrupt obtained from Anna J. Helms in all the sum of \$3300.00. The receipts, being renewal receipts, were dated October 20th, 1920, October 12th, 1920, September 20th, 1920, November 8th, 1920, November 1st, 1920, and November 11th, 1920, each in the sum of \$500.00 and one, September 16th, 1920, in the sum of \$300.00. Each receipt, except as to date and amount above referred to, was as follows:

“20 October 1920.

Received from Anna J. Helms, Five Hundred and no/100 Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at rate of 10% per annum.

\$500.00.

G. E. TILTON.”

The bankrupt obtained from Elizabeth Keelan on October 11th, 1920, \$300.00 and November 24, 1920,

\$200.00 upon two receipts, each individual, except as to date and amount, as follows:

“11th October 1920.

Received from Elizabeth Keelan, Three Hundred and no/100 Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at the rate of 10% per annum.

\$300.00.

G. E. TILTON.”

The Court denied a discharge to the bankrupt because of the Helms and Keelan receipts and the only question upon this appeal is whether those receipts in the light of the testimony introduced legally justified refusal of discharge under Section 14 subdivision b of the Bankruptcy Acts, as amended in 1910. [6]

### TESTIMONY OF ANNA J. HELMS.

#### On Direct Examination.

Witness testified as follows:

That she was an egg candler, with a provable claim, against the bankrupt estate; that she has been a widow for eleven years; that she first met the bankrupt in 1919.

Q. Did you on March 10, 1919, loan him any money or give him any money? If so, under what circumstances? A. Yes, I loaned him money.

That on March 10, 1919, she gave the bankrupt \$1,000; that he had been represented to her as a loan agent and told her he loaned money and always loaned it out on good security, taking only one-



(Testimony of Anna J. Helms.)

third of the value, so she let him have the \$1,000 with interest at 10%; that he said he was always careful to look over his loans; that the bankrupt gave her a receipt for \$1,000; that altogether in 1919 she loaned the bankrupt \$6,000; that during that time she drew out \$2,000, leaving \$4300 that was not returned.

Q. You really loaned him altogether a total of \$6300?     A. Yes, sir.

That the bankrupt exchanged the \$1,000 receipts into \$500 receipts. He said he could handle them better in \$500. Originally the receipts were for six months. He said any time I wanted my money to let him know two weeks ahead and I could have it. He kept his interest payments up regularly until the bankruptcy, when he told me he was broke.

It was agreed that the receipts set out in the specifications and as per receipt hereinabove set out, were renewals in 1920 of the original loans in 1919.

That as to the \$300 loan in September, 1919, the bankrupt took witness in an automobile to show some securities [7] that he had up for a loan; that they looked at a piano, certain fixtures in the Mayflower Hotel and a houseboat on Lake Union; that the houseboat was agreeable to her and on returning to the bankrupt's office she gave him a check for \$300.00 to loan on the houseboat; that the bankrupt took no security for the \$300.00 as far as she knew and gave her nothing but a receipt; that the bankrupt after he was broke, stated he had used the

(Testimony of Anna J. Helms.)

money personally, placed it in a general fund and used it for his personal use; that he then desired to change the receipts into promissory notes; that two of the receipts have been changed into promissory notes; that he paid \$110 upon the notes.

That she would not have loaned the money if she had known the bankrupt was going to put it to his own use.

On cross-examination she testified as follows:

That on March 10, 1919, was the first loan of \$1,000; that she did not go out and look at any property at that time; on March 18th she loaned another \$1,000; March 31st another \$1,000; April 11th \$1,000; April 22d \$1,000; May 7th \$1,000; and September 16th, 1919, \$300; that he was to pay the money back at any time she asked for it on two weeks' notice; that it was placed on a six months' basis, so he would pay interest on that time. All transactions were the same.

As to the renewal receipts reducing the amount to \$500.00:

Q. Did he tell you that his loans were so arranged that he did not want to take the obligation of getting back \$6,000 in two weeks with all the interest?

A. I don't know what he said as to that.

Q. You understand it that way that his loans were made that way? Didn't you understand from what he said that he wouldn't take this money if he had to pay all the \$6,000 [8] back on two weeks' demand?

A. No, I didn't understand it exactly that way.

(Testimony of Anna J. Helms.)

Q. Didn't he tell you that in substance or effect?

A. I couldn't say that he did exactly.

That she never examined any property on any loan except the \$300 on the piano or houseboat; that she never asked the bankrupt to show her any property; that she never satisfied a note or mortgage, nor did she make inquiry if mortgage was taken in her name.

That she had no ill feeling toward the bankrupt, but just wanted her money back; that she swore to a complaint and had the bankrupt arrested on a charge of obtaining money under false pretenses growing out of the transaction of September 16th, 1919; that the bankrupt was acquitted.

#### TESTIMONY OF ELIZABETH KEELAN.

##### On Direct Examination.

That she has been a waitress for fifteen years.

Q. Did you during November, 1920, loan Tilton \$500 in cash.     A. Yes, sir.

Q. Was that \$500 loan made in one loan or in several loans?     A. Two.

That the bankrupt said he was a loan agent and never let out money except on good security and at one-third of the value; that shortly after the loan the bankrupt desired to change the receipts into notes; that she would not have loaned the money if she had known he was going to apply it to his own use.



(Testimony of Elizabeth Keelan.)

On cross-examination she testified:

Q. You said you went up and loaned him \$300 and [9] then \$200? A. Yes, sir.

At the close of this testimony, the objecting creditors having rested, the bankrupt moved for a non-suit, or such other order as was proper because the objectors had failed to make out any case to resist the discharge. The motion was denied. Exception allowed.

### TESTIMONY OF GEORGE E. TILTON.

On Direct Examination.

That he never told Mrs. Helms that he would take her money and loan it for her; that he borrowed the money from her with the understanding that he should use it in his business and that he would pay her; that he told her he was making loans and that money was coming in constantly and if she would give him reasonable time, a week or two, when she wanted money back, he could always meet it. There were two or three occasions when she did come in and when he paid in advance.

Q. Did you tell her you were going to act as agent for her?

A. No. I took the money and loaned it in my name. It was loaned to me and I reloaned it.

That nothing was said about guaranteeing to her that the loan would be paid; that the money was borrowed and he agreed to pay it at the time specified.

That relative to the Lake Union houseboat, Mrs. Helms came into the office, had a headache and he

(Testimony of George E. Tilton.)

told her that he was going out on a trip and suggested that she come along; that he went around to look at some pieces of property he owned and examined some property on which he had applications for loans. One was a houseboat; that he told her he had an application for the houseboat, but after examination of it he turned it down; that Mrs. Helms loaned the witness [10] \$300 before they started on the trip and not after they came back.

That in addition in making loans, he was in the logging business and had charge of a building and loan association; that at the time these loans were made he did not then know that he was in failing circumstances; that he ascertained that fact in the latter part of January, 1921; that he had very considerable property at that time and if same had been left to him he could have paid one hundred cents on the dollar.

That originally Mrs. Helms had objected to the form of receipt and asked for notes when they first began to do business; that he agreed to notes and then she said, "Well, it doesn't make any difference. I will take this." That in January some creditors suggested the receipts might make him liable as a trust proposition and he stated he had never understood it that way; that they had always been handled as notes and that he had handled thousands and thousands of dollars that way; that if there was any danger otherwise he wanted the legal evidence of his indebtedness put in the form which he and his creditors always understood it to be; that prior there-

(Testimony of George E. Tilton.)

to other creditors had objected to the receipts and he had changed them into notes when requested. So he did go to Mrs. Helms and Miss Keelan. He stated to Mrs. Helms that as she knew, the money was loaned direct to him, and if there was any such liability as suggested, he wanted it put back on the basis of a straight loan; that never until the time of the criminal prosecutions did she claim they were anything except straight loans.

That he never told her that he had lost everything and she was stuck, but did tell her that he was seriously embarrassed and that he was stuck. [11]

On cross-examination the witness testified that he had been admitted to the bar eighteen or twenty years ago, but never practiced; that he was an officer of the Prudential Savings & Loan Association.

That the money loaned by Mrs. Helms and the other creditors in her position, was actually used in chattel loans on personal property, principally, perhaps on some real property; that he never used any of the Helms money in his own personal business ventures; that the Helms money went into chattel loans; that his books show he lost some \$29,000 on chattel loans.

That the books do not show, and never did, that any money which he loaned belonged to any particular individual because he was not loaning for any particular individual, but always loaned the money in his own name.

Q. You considered it, in other words, a loan to you?     A. Yes.

(Testimony of George E. Tilton.)

That he did not give security to Mrs. Helms or Miss Keelan; that Blix had security.

Q. You are telling the Court that those were merely loans to yourself personally?

A. That is the way we understood it at the time.

Q. Why did not you give notes then?

A. I did in many cases.

That he had carried on his own business transactions in this manner for a great many years.

That he was to pay Miss Keelan 10% interest; that he loaned the money out on chattel loans, was paid 10% and also certain fees for services; that he never represented he was acting as agent for other parties; that the people to whom he made loans understood they were dealing with the bankrupt alone; that he did loan money with real property as security, but the [12] *but the* bulk of the loans were on personal property; that he generally acted as his own appraiser and the mortgages and bills of sale were given to him.

That the trip with Mrs. Helms in September was not with any reference to the \$300 loan; that he simply took her along as a courtesy, thinking the fresh air would cure her headache. That there was another lady with her that went along; that she gave him the \$300 before they started.

At the close of this testimony, there being no rebuttal, the bankrupt renewed the motion for discharge of the bankrupt and the Court took the matter under advisement, suggesting a desire to hear argument.

Thereafter the Court rendered the following oral decision :

ORAL DECISION.

The receipts in the form as given to Mrs. Helms, which say, "Received from Anna J. Helms \$500 for loan purposes, to be loaned and returned six months from date, plus interest at the rate of ten per cent per annum," create a relation between Mrs. Helms and Mr. Tilton other than that of principal and creditor.

The money was given for a specific purpose. It was for loan purposes. Now that was for loans for Mrs. Helms, and by that receipt Mr. Tilton impliedly agreed that that fund would be loaned for Mrs. Helms. He has not placed it into a general fund useful for a general purpose; and when he failed to do that he violated a trust that was impliedly created at least by these receipts.

I am satisfied by the testimony of all parties that that was at least the understanding of Mrs. Helms, and the conduct of the defendant, the very substance of the receipts, would lead her to that conclusion.

[13]

And the same applies to—what was the name of the other woman who testified?

Mr. EMORY.—Miss Keelan.

The COURT.—Miss or Mrs.?

Mr. EMORY.—Miss Keelan.

Mr. RUMMENS.—Didn't Miss Keelan testify that she went there and loaned it to Mr. Tilton?

The COURT.—I am referring to the receipts.



The receipt is the same general relation and in substance I guess exactly the same.

So, as far as these parties are concerned, I think that they have a right to successfully resist this discharge.

Now, as to Mr. Blix, Mr. Blix, I think, sustains a little different relation. Supposing that Mr. Blix had given to Mr. Tilton ten \$100 bills, to be returned or repaid, it would be just the same as giving him Liberty bonds.

This is in substance—this is what it says, “Received of R. Blix \$690 in the form of United States Liberty Bonds,” giving the numbers, the issue and the coupons attached, “same to be returned on or before one year from date, interest to be at the rate of seven per cent, payable semi-annually, maturing coupons to belong to the undersigned.”

That was clearly a loan of Liberty bonds, just the same as a person would loan money, and when a person loans money you know that you are not going to get the same money back, and when these bonds were loaned, they were loaned for the purpose of commercial use, otherwise they could not be used for any other purpose, and I do not think that Mr. Blix was probably misled by this. He does not stand in the same relation as these other parties. [14]

As to these two parties who testified, Mrs. Helms and Miss Keelan, the discharge will be denied. As to whether the discharge should be general, I am not conclusive; I have not thought about it any further. If you desire to submit anything on that, I would—

Mr. EMORY.—I desire to submit authorities on that.

The COURT.—I would be very glad to have you do that.

The discharge as to these two parties will be denied, and as to whether the order should be general, I will be very glad to have you submit authorities.

Mr. EMORY.—I will be glad to submit authorities.

The COURT.—You can look into that matter, and you may collate your authorities.

Mr. RUMMENS.—I am afraid one five cent bill would deny a million dollar discharge. Do you find fraud in it? You have never yet said there was any fraud. You say there was misappropriation of some money.

The COURT.—Yes, I think there was. I think as to those two parties who testified here that Mr. Tilton was guilty of fraud upon those parties.

Mr. RUMMENS.—Was it fraud or misappropriation?

The COURT.—A misappropriation. He received money upon an implied understanding that a certain thing was to be done, and it was not done.

Mr. RUMMENS.—Your Honor will allow an exception.

The COURT.—Yes.

Mr. EMORY.—I presume that your Honor finds that our objections as stated in the exceptions with reference to Mrs. Helms and Miss Keelan are true?

The COURT.—Yes.

Mr. RUMMENS.—These objections are written.  
[15]

The COURT.—Yes. The application for discharge as to them will be denied, and I will be glad to be advised as to whether there should be a general discharge or not.

However, no order was entered, but the matter taken under advisement and briefs submitted, and thereafter, on April 29, 1924, the Court, Neterer, Judge, rendered a formal decision as follows:

In the United States District Court for the Western District of Washington, Northern Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

### DECISION.

(On Objections to Discharge.)

Filed April 29, 1924.

RUMMENS and GRIFFIN, Attorneys for Bankrupt.

POE, FALKNOR, FALKNOR & EMORY, Attorneys for Objecting Creditors.

NETERER, District Judge:

At the conclusion of the hearing the Court announced its findings upon the facts, and held that the objections to the discharge on the part of two of the creditors, Anna J. Helms and Elizabeth Keelan, were sustained. The matter was continued to determine



whether the denial of discharge extended to all of bankrupt's debts. Authorities have been submitted by the objecting creditors and a voluminous brief presented and authorities cited, by the bankrupt, upon inefficiency of the proof to sustain the charge.

Without reviewing the issue of fact *in extenso*, reflection upon the testimony and record submitted does not change the conclusion announced at the closing of the trial. I am satisfied from all of the testimony that the receipt of memoranda executed did not truthfully state the conditions upon which the money was paid to the bankrupt. [16] The bankrupt in his testimony, as I understand it in substance, stated that in some conversation with some of the creditors he did say that the receipt did not clearly state the conditions of the loan. A rational human being is presumed to intend the natural and probable consequences of his words and conduct. The money was obtained by the bankrupt upon the receipt as the inducing cause, which did not state the fact. So concluding upon the facts, the objections to discharge will be sustained.

In re Miller, 192 Fed. 730.

NETERER,  
U. S. District Judge.

On May 8, 1924, the Court signed and there was entered an order denying discharge as follows:

In the District Court of the United States for the  
Western District of Washington, Northern Di-  
vision.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ORDER DENYING DISCHARGE TO BANK-  
RUPT.

WHEREAS, George E. Tilton, of Seattle, King County, Washington, in said district, having been duly adjudged bankrupt under the acts of Congress relating to Bankruptcy, did, in conformity to law, file his petition for discharge from all debts provable against his estate under said Bankruptcy Acts, excepting such debts as are excepted by law from such discharge; and

WHEREAS certain creditors of said bankrupt did file specification of grounds of opposition to said bankrupt's [17] discharge, whereupon issue was joined and said matter came on to be heard before the Hon. Jeremiah Neterer, Judge of said Court aforesaid, and the Court having heard the evidence in said cause, and finding that the objections to the discharge on the part of two of the said creditors only, Anna J. Helms and Elizabeth Keelan, were well taken, said objections were by the Court sustained, and

The said Court having rendered herein a memorandum decision in said case on the 29th day of April, 1924;

NOW, THEREFORE, in conformity therewith,  
IT IS THEREFORE ORDERED BY THIS  
COURT, That the said George E. Tilton be not dis-  
charged in bankruptcy from all or any debts and  
claims which are made provable by said acts against  
his estate and which existed on the 25th day of May,  
1921, but on the contrary that the said discharge of  
the said George E. Tilton, from all or any of said  
debts be and the same is hereby denied.

To which said ruling of the Court and order here-  
in the said bankrupt does except, and his exception  
be and the same hereby is allowed.

WITNESS the Hon. JEREMIAH NETERER,  
Judge of the said District Court and the seal thereof  
this 8th day of May, 1924.

F. M. HARSHBERGER,  
Clerk of Said District Court.

Enter:

JEREMIAH NETERER,  
Judge.

O. K.—SOLON T. WILLIAMS,  
ALBERT J. ALLEN,

Solicitors for Objecting Creditors.

Whereupon the bankrupt did on May 8, 1924, pe-  
tition for appeal to the Circuit Court of Appeals,  
Ninth Circuit, and filed therewith the following as-  
signments of error: [18]

In the District Court of the United States for the Western District of Washington, Northern Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

### ASSIGNMENT OF ERRORS.

And now, on this 8th day of May, A. D. 1924, came the above-named bankrupt, George E. Tilton, by his solicitors, George H. Rummens and Tracy E. Griffin, and says that the decree or order entered in the above case on the 8th day of May, A. D. 1924, wherein final discharge is to the bankrupt denied, is erroneous and unjust to defendant.

First. Because it denies to the bankrupt his final discharge from any and/or all debts and claims which are made provable by said Acts of Bankruptcy against his estate and which existed on the 25th day of May, 1921, on which day the petition for adjudication was filed.

Second. Because said order or decree denies to the bankrupt his discharge in bankruptcy as sought.

Third. Because said decree or order denies to the bankrupt a discharge for causes not specified in Section 14 Subdivision b of the Bankruptcy Act as amended in 1910.

Fourth. Because said order or decree denies the bankrupt a discharge based upon Section 17 of said Acts.

Fifth. Because said order or decree denies to the bankrupt a discharge as to all debts of every nature and description made provable by said Acts against his estate which existed on the 25th day of May, 1921, although the objections filed were sustained as to but two creditors. [19]

Sixth. Because the Court should have granted bankrupt's motion for discharge at the close of the case of the objecting creditors, and granted bankrupt's motion of nonsuit therein.

WHEREFORE, the bankrupt prays that the said order or decree be reversed and the Circuit Court be instructed to enter a decree and order of final discharge to the bankrupt, as in his petition sought, or that it enter such other and different proper decree as by the records justified.

GEORGE H. RUMMENS,

TRACY E. GRIFFIN,

Solicitors.

That said appeal was by the Court allowed on May 8, 1924, and a bond filed and approved May 8, 1924.

That this agreed statement is made pursuant to Equity Rule 77, under the following stipulation and waiver of citation:

In the District Court of the United States for the  
Western District of Washington, Northern Di-  
vision.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

STIPULATION UNDER EQUITY RULE 77.

IT IS HEREWITH STIPULATED by George E. Tilton, bankrupt, appellant, through George H. Rummens and Tracy E. Griffin, his counsel, with Anna J. Helms, Elizabeth Keelan, R. Blix et al., appellees, through their counsel, Solon T. Williams and Albert J. Allen, that WHEREAS the questions presented by this appeal can be determined by the Appellate [20] Court without an examination of all the proceedings and evidence, that the Clerk in making up the transcript may omit therefrom all papers and records in said cause except the statement of the case signed by representative counsel hereto, which set forth as much only of the facts as is essential to a decision of such questions by the Appellate Court, and that an order may be entered accordingly with the permission of the Court.

GEO. H. RUMMENS.

TRACY E. GRIFFIN.

SOLON T. WILLIAMS.

ALBERT J. ALLEN.



In the District Court of the United States for the  
Western District of Washington, Northern  
Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

STIPULATION WAIVING CITATION.

IT IS HEREWITH STIPULATED by the ob-  
jecting creditors, appellees, through Solon T. Will-  
iams and Albert J. Allen, with George E. Tilton,  
Bankrupt, appellant, through Geo. H. Rummens  
and Tracy E. Griffin, his attorneys, that the notice  
of appeal and assignments of error have been duly  
and regularly served upon said counsel for appel-  
lees and that in the premises a citation need not  
issue, but the same is hereby waived.

Dated at Seattle this 8th day of May, 1924.

GEO. H. RUMMENS.

TRACY E. GRIFFIN.

SOLON T. WILLIAMS.

ALBERT J. ALLEN. [21]

That on said 8th day of May, 1924, the following  
additional and supplemental assignment of error  
was filed with and as a part of the assignments of  
error in this cause.

In the District Court of the United States for the  
Western District of Washington, Northern  
Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ADDITIONAL AND SUPPLEMENTAL AS-  
SIGNMENT OF ERROR.

And now, on this 8th day of May, A. D. 1924, came the above-named bankrupt, George E. Tilton, by his solicitors, George H. Rummens and Tracy E. Griffin, and says that the decree or order entered in the above-entitled cause on the 8th day of May, 1924, wherein final discharge is to the bankrupt denied, is erroneous and unjust to the bankrupt for the following reason in addition to and supplemental to the assignments of error heretofore on this day filed herein:

ADDITIONAL AND SUPPLEMENTAL ERROR.

Because the refusal to discharge the bankrupt was based solely upon the transactions had between the bankrupt and Anna J. Helms and Elizabeth Keelan, and upon their testimony alone, and they each and both testified that they loaned the money to George E. Tilton, the bankrupt, and that the receipt which he gave them evidenced said loan, the body of which receipt, omitting dates and amounts, is as follows:

“Received from——, ——Dollars for loan purposes to be loaned and returned 6 months from date, plus interest at the rate of 10% per annum.”



and all the testimony in the case shows that said transactions were direct loans to the bankrupt Tilton and the receipt is not such character of instrument in writing as is contemplated by the Bankruptcy Act to constitute a material false statement in writing, and the said bankrupt did not obtain money or [22] property or credit upon any materially false statement in writing made by him, either to said Anna J. Helms or Elizabeth Keelan, for the purpose of obtaining credit from such persons, or otherwise, or at all, and that the order or decree erroneously and unjustly denies to the bankrupt his final discharge from any and/or all debts and claims which are made provable by said Acts of Bankruptcy against his estate, and which existed on the 25th day of May, 1921, on which day the petition for adjudication was filed, and the said decree or order is contrary to the evidence in the case and is not supported by the evidence in the case.

WHEREFORE, the bankrupt prays that the said Order or Decree be reversed and the Circuit Court be instructed to enter a decree and order of final discharge to the bankrupt, as in his petition sought, or that it enter such other and different proper decree as by the records justified.

GEORGE H. RUMMENS,  
TRACY E. GRIFFIN,

Solicitors. [23]

GEO. H. RUMMENS.  
TRACY E. GRIFFIN.  
SOLON T. WILLIAMS.  
ALBERT J. ALLEN.

[Endorsed]: Filed in the United States District Court, Western District of Washington, Northern Division. May 8, 1924. F. M. Harshberger, Clerk. By P. A. Page, Deputy. [24]

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In the District Court of the United States for the  
Western District of Washington, Northern  
Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt.

ORDER GOVERNING TRANSCRIPT.

It appearing to the Court that the parties in the above-entitled cause have stipulated for and made and subscribed to an agreed statement of the case, pursuant to Equity Rule 77, said agreed statement being filed herewith,—

IT IS ORDERED That the said agreed statement shall be treated as superseding for the purposes of the appeal, all parts of the record other than the order or decree of May 8, 1924, from which the appeal is taken, and the said agreed statement, together with such order or decree, shall be copied and certified to the Appellate Court as the record on appeal.

Done in open court this 8th day of May, 1924.

JEREMIAH NETERER,

Judge.

[Endorsed]: Filed in the United States District Court, Western District of Washington, Northern

Division. May 8, 1924. F. M. Harshberger, Clerk.  
By P. A. Page, Deputy. [25]

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United States District Court for the Western Dis-  
trict of Washington.

No. 6541.

In the Matter of GEO. E. TILTON, Bankrupt.

PRAECIPE FOR TRANSCRIPT OF RECORD.

To the Clerk of the Above-entitled Court:

You will please issue transcript on appeal in the  
above cause:

Agreed statement under Equity Rule 77.

Order denying discharge to bankrupt.

Order governing transcript.

GEO. H. RUMMENS.

TRACY E. GRIFFIN. [26]

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In the United States District Court for the Western  
District of Washington, Northern Division.

No. 6541.

In the Matter of GEORGE E. TILTON, Bankrupt,

CERTIFICATE OF CLERK U. S. DISTRICT  
COURT TO TRANSCRIPT OF RECORD.

United States of America,

Western District of Washington,—ss.

I, F. M. Harshberger, Clerk of the United States

District Court for the Western District of Washington, do hereby certify this typewritten transcript of record consisting of pages, numbered from 1 to 26 inclusive, to be a full, true, correct and complete copy of so much of the record, papers, and other proceedings in the above and foregoing entitled cause, as is required by praecipe of counsel filed and shown herein, as the same remain of record and on file in the office of the clerk of said District Court, and that the same constitute the record on appeal herein from the judgment of the said United States District Court for the Western District of Washington to the United States Circuit Court of Appeals for the Ninth Circuit.

I further certify the following to be a full, true, and correct statement of all expenses, costs, fees and charges incurred, and paid in my office by or on behalf of the petitioners and appellants herein, for making record, certificate or return to the United States Circuit Court of Appeals for the Ninth Circuit in the above-entitled cause, to wit: [27]

|   |    |        |
|---|----|--------|
| Clerk's fees (Sec. 828, R. S. U. S.) for making record, certificate or return | 63 |        |
| folios at 15c.....  |    | \$9.45 |
| Certificate of Clerk to transcript of record,                                 |    |        |
| 4 folios at 15c.....  | 60 |        |
| Seal to said certificate.....   | 20 |        |

I hereby certify that the above cost for preparing and certifying record, amounting to \$10.25, has been paid to me by attorneys for appellant.

I further certify that I hereto attach and herewith transmit the original citation issued in this cause.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said District Court at Seattle, in said district, this 14th day of May, 1924.

[Seal] F. M. HARSHBERGER,  
Clerk United States District Court, Western District of Washington. [28]

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[Endorsed]: No. 4254. United States Circuit Court of Appeals for the Ninth Circuit. In the Matter of George E. Tilton, Bankrupt. George E. Tilton, Appellant, vs. Anna J. Helms, Elizabeth Keelan, Magda Olson, Rebecca S. Knight, R. Blix, Frances Blix, Christina Wadman, J. J. Middal, J. Starup, Anna C. Adams, Jessie Humphrey, Alice Saxon, and Ruth Saxon, Appellees. Transcript of Record. Upon Appeal from the United States District Court for the Western District of Washington, Northern Division.

Filed May 16, 1924.

F. D. MONCKTON,  
Clerk of the United States Circuit Court of Appeals for the Ninth Circuit.

By Paul P. O'Brien,  
Deputy Clerk.

